

SMG Technology Acceleration SE
Société européenne

**CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD
FROM 7 AUGUST 2023 (DATE OF REGISTRATION)
TO 31 DECEMBER
2023**

Registered office: 9, rue de Bitbourg
L - 1273 Luxembourg
R.C.S. Luxembourg: B279346

SMG Technology Acceleration SE

Consolidated financial statements for the period ended
31 December 2023

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SMG Technology Acceleration SE

Consolidated Management Report for the period ended 31 December 2023

The Management Board of SMG Technology Acceleration SE (hereafter the “**Company**”) submit its management report with the consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the period ended 31 December 2023.

1. Overview

The Company is a special purpose acquisition company (otherwise known as a blank cheque company) incorporated in Luxembourg on 27 July 2023 and registered with the Luxembourg Trade and Companies Register on 7 August 2023. The Company’s corporate purpose is the acquisition of one operating business with a principal business operations in a member state of the European Economic Area, the United Kingdom or Switzerland that is based in the technology sector, which shall encompass primarily the following verticals: additive manufacturing/3D printing, software as a service (SaaS), and digital infrastructure/blockchain-based technologies, through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the “**Business Combination**”). The Company intends to complete the Business Combination using cash from the proceeds of the private placement of the class A shares and class A warrants (see below).

2. Review and development of the Group’s business and financial position

The Company completed its private placement (the “**Private Placement**”) on 27 October 2023 through the issuance of 22,000,000 redeemable class A shares with a par value of EUR 0.00548 (the “**Public Shares**”) and 11,000,000 class A warrants (the “**Class A Warrants**”). The Public Shares are admitted to trading on the Frankfurt Stock Exchange under the symbol “7GG” since 27 October 2023. The Class A Warrants are not admitted to trading or listed on the Frankfurt Stock Exchange. One Public Share and one-half (1/2) of a Public Warrant (each, a “**Unit**”), were sold at a price of EUR 1 per unit representing a total placement volume of EUR 22 million.

The sponsor of the Company, SMG Technology Holding S.à r.l. (the “**Sponsor**”), a wholly owned subsidiary of SMG Holding S.à r.l., has subscribed to 21,900,000 class B shares amounting to EUR 120,000. On 26 October 2023, the Sponsor also subscribed to an aggregate 20,000,000 class B warrants (the “**Sponsor Warrants**”) at a total price of EUR 3,000,000. The class B shares and Sponsor Warrants are not publicly traded securities. The Sponsor has agreed to a lock-up period running at least until the Business Combination, subject to customary exceptions described in the Company’s prospectus (the “**Prospectus**”).

On 20 December 2023, the Company signed a Business Combination Agreement with BigRep GmbH (“**BigRep**”), a producer of advanced 3D printing solutions which serves a wide range of industries e. g. industrial, business solution and consumer products, automotive, transportation, aerospace and logistics as well as government and education.

Financial performance highlights

As a blank cheque company, the Group currently does not have an active business. The Group did not generate revenue during the period ended 31 December 2023 and is not expected to generate any operating revenues until after the completion of the Business Combination. The Group’s activities for the period ended 31 December 2023 were those necessary to prepare for the Private Placement and the subsequent listing on the Frankfurt Stock Exchange, and after the listing, to identify a target company for a Business Combination and the potential acquisition, described below. The Group incurred expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance).

The net loss of the Group for the period ended 31 December 2023 was EUR 7,465,802 due to the operating expenses, net finance costs and net result from changes in the fair value of warrants.

Financial position highlights

The Group's main asset accounts refer to the cash in escrow which are the proceeds from the Private Placement. Whereas on the liability section, the significant balances refer to redeemable class A shares and class A and B warrants.

3. Principal risk and uncertainties

The Group has analysed the risks and uncertainties to which its business is subject, and the Management Board of the Company has considered their potential impact, their likelihood, controls that the Group has in place and steps the Group can take to mitigate such risks. The Group's principal risks and uncertainties can be summarised as follows:

Risk	Likelihood	Mitigating factors
<i>Benefits not achieved & the liquidation of the Company</i> There is no assurance that the Company will identify suitable Business Combination opportunities by the Business Combination Deadline, which would ultimately lead to the liquidation of the Company.	Low	On 20 December 2023, the Company entered into a Business Combination Agreement with BigRep and expects to successfully complete the Business Combination in Q2 2024. The shareholders are expected to approve the Business Combination on the annual/ extraordinary general meeting.
<i>Going concern risk in case of no business combination</i> The Company has incurred fees and expenses associated with preparing and completing the Business Combination. The Company may need to arrange third-party financing and there can be no assurance that it will be able to obtain such financing, which could compel the Company to restructure or abandon the Business Combination.	Low	The Company is undertaking continuous control and monitoring of expenses incurred in view of its available funding and has engaged reputable service providers to assist with this monitoring. The Board believes that the Company has sufficient funds to meet the fees and expenditures required for operating its business prior to the closing of the Business Combination.
<i>Legal and regulatory</i> The Company may be adversely affected by changes to the regulations, law, account and general tax environment in Luxembourg and Germany as well as the jurisdiction which the target business is subject to.	Low	The Company is undertaking continuous control and monitoring measure of the ongoing legal and regulatory landscape. Moreover, the Management and the Supervisory board is supported by leading service providers on the respective legal, accounting and tax domains.
<i>Market conditions</i> Adverse events and market conditions, such as the conflict between Russia and Ukraine and rising interest rates environment, might prevent the completion of the Business Combination.	Low	The Company believes that external market conditions have not negatively disrupted in a material manner its operations and objectives. But it will continue to monitor external market conditions and continue to assess on a timely basis their impact on its operations and objectives.

The other risks surrounding the Group are further disclosed in the Prospectus.

4. Financial risk management objectives and policies

As at 31 December 2023, the Group had EUR 27,916 in cash and cash equivalents. The proceeds from the Private Placement is presented as cash in escrow in the consolidated financial statements, for an amount of EUR 22,060,816. Subsequently on 28 May 2024, the Company received repayment of amounts owed by related parties for total amount of EUR 2.900.000,00.

The Group has a negative equity of EUR 6,595,802 as at 31 December 2023. The Management Board believes that the funds available to the Group outside of the secured deposit account are sufficient to pay costs and expenses incurred by the Group prior to the completion of the Business Combination. The Group has financial instruments which are presented as non-current liabilities which does not impose any liquidity issues to the Group. The class B warrants amounting to EUR 6,272,000 (See Note 13.1 to the consolidated financial statements) have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation. Furthermore, the class A warrants amounting to EUR 1,384,900 are redeemable at the option of the Company (See Note 13.2 to the consolidated financial statements). Further, these class A warrants have no liquidation distribution rights and will expire worthless in case of liquidation.

5. Related party transactions

Please see Note 17 to the consolidated financial statements.

6. Research and development

The Group did not have any activities in the field of research and development during the period ended 31 December 2023.

7. Corporate governance

As a Luxembourg governed company traded on the Frankfurt Stock Exchange, the Group is not required to adhere to the Luxembourg corporate governance regime applicable to companies that are traded in Luxembourg or to the German corporate governance regime applicable to listed companies in Germany. As these regimes have not been designed for special purpose acquisition companies like the Company but for fully operational companies, the Company has opted to not apply the Luxembourg or German corporate governance regime on a voluntary basis either.

The Company's articles of association (the "**Articles**") are available on the website of the Company (<https://www.smg-spac.com/>). The function of the audit committee shall be assumed by the Supervisory Board as long as the Company qualifies as small and medium sized enterprises (SMEs) in accordance with article 2 (1), (f) of the directive 2003/71/EC of the European parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC. If the criteria are no longer fulfilled, the Supervisory Board will appoint an audit committee and adopt its terms of reference in accordance with applicable laws.

The Management Board is composed of four members: Dr. Stefan Petrikovics (Chief Executive Officer), René Geppert (Chief Operating Officer), George Aase (Chief Financial Officer) and Werner Weynand (Chief Administration Officer). The Company is managed by the Management Board which exercises its functions under the supervision of the Supervisory Board. The Management Board is vested with the broadest powers to act in the name of the Company and to take any action necessary or useful to fulfil the Company's corporate purpose, with the exception of the powers reserved to the Supervisory Board or to the general meeting of shareholders by any laws or regulations or by the Articles of Association.

The Supervisory Board shall be in charge of the permanent supervision and control of the Company's management by the Management Board. It may in no case interfere with such management. The Supervisory Board has an unlimited right of information regarding all operations of the Company and may inspect any of the Company's documents. It may request the Management Board to provide any information necessary for exercising its functions and may directly or indirectly proceed to all verifications which it may deem useful in order to carry out its duties. A member of the Management Board cannot be a member of the Supervisory Board at the same time.

The Supervisory Board regularly advises and supervises the Management Board in its management of the Company. It is involved in all decisions of fundamental importance for the Company. The rules of procedures of the Management Board may provide for consent requirements of the Supervisory Board. The Supervisory Board consists of Ewald Weizenbauer (Chairman), Rhett Oudkerk Pool, Benoît de Belder and Dr. Geza Toth-Feher Lord of Kennal.

8. Internal control and risk management systems in relation to the financial reporting process

The Group has implemented a system of internal controls over financial reporting. It aims to identify, evaluate and control any risks that could influence the proper preparation of the consolidated financial statements. As a core component of the accounting and reporting process, the system of internal controls over financial reporting comprises preventive, detective, monitoring, and corrective control measures in accounting and operational functions, which are designed to ensure a methodical and consistent process for preparing the Group's financial statements.

The control and risk management mechanisms include identifying and defining processes, introducing layers of approval, and applying the principle of segregation of duties including the use of external service providers diligently selected and monitored. The Group's internal controls over financial reporting include policies and procedures that pertain to the maintenance of records that, in reasonable detail, are designed to accurately and fairly reflect the transactions and dispositions of the assets of the Group, provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the applicable accounting standards, provide reasonable assurance that the receipts and expenditures are being made only in accordance with authorisations of the Group's management and directors, and provide reasonable assurance regarding prevention or timely detection of the unauthorised acquisition, use or disposition of our assets that could have a material effect on the Group's financial statements. Because of its inherent limitations, the Group's internal controls over financial reporting may not prevent or detect errors or misstatements in the Group's financial statements. The system of internal controls is reviewed annually.

9. Transactions in own shares

The Company did not acquire its own shares as at 31 December 2023.

10. Branches

The Group does not have any branches as at 31 December 2023.

11. Outlook

The Management Board is confident that the Business Combination with BigRep will be completed in Q2 2024.

12. Events after the reporting period

Please refer to Note 19 to the consolidated financial statements.

Luxembourg, 03 June 2024



Dr. Stefan Petrikovics

Chief Executive Officer

Member of the Management Board



George Aase

Chief Financial Officer

Member of the Management Board

SMG Technology Acceleration SE

Corporate Governance Statement by the Management Board for the period ended 31 December 2023

The Management Board of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the consolidated financial position of the Group with reasonable accuracy at any time and ensuring that an appropriate system of internal controls is in place to ensure that the Group's business operations are carried out efficiently and transparently.

In accordance with Article 3 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, the Group declares that, to the best of our knowledge, the consolidated financial statements for the period ended 31 December 2023, prepared in accordance with International Financial Reporting Standards as adopted by European Union, give a true and fair view of the assets, liabilities, financial position as of that date and results for the period then ended.

In addition, management's report includes a fair review of the development and performance of the Group's operations during the year and of business risks, where appropriate, faced by the Group as well as other information required by the Article 68ter of the law of 19 December 2002 on the commercial companies register and on the accounting records and financial statements of undertakings, as amended.

Luxembourg, 03 June 2024



Dr. Stefan Petrikovics

Chief Executive Officer

Member of the Management Board



George Aase

Chief Financial Officer

Member of the Management Board

To the Shareholders
SMG Technology Acceleration SE
Société européenne

R.C.S. Luxembourg B279346

9, rue de Bitbourg
L - 1273 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **SMG Technology Acceleration SE** and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year for the period from 7 August 2023 (date of registration) to 31 December 2023, and the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended for the period from 7 August 2023 (date of registration) to 31 December 2023 in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to notes 3, 16 and 19 to the consolidated financial statements.

As of 31 December 2023, the Group has open receivables from related entities amounting to EUR 2.919.998 net of valued adjustments of EUR 657.525.

Total liabilities due and payable within one year amount to EUR 3.283.576.

Due to the delay in completion of the intended business combination (Agreement signed on 20 December 2023), the Group experienced a liquidity shortage, among others arising from significant costs already incurred in connection with the Business Combination, and its listing.

On 28 May 2024, the Group received repayment of amounts owed by the following affiliated undertakings:

- EUR 1.092.474,89 from SMG Holding S.à r.l.;
- EUR 1.034.000,00 from SMG Hospitality; and
- EUR 773.525,11 from SMG SPAC Investment S.à r.l..

The target Company was made aware of the Company's liquidity situation and as a result of this the terms of the business combination agreement were amended accordingly.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the result of our audit procedures no Key Audit Matter was identified for the audit of the consolidated financial statements as of 31 December 2023.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and Those Charged with Governance for the Consolidated Financial Statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

The Management Board is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format as amended ("the ESEF Regulation").

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.

- Conclude on the appropriateness of Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, "related safeguards" or "actions taken to eliminate threats or safeguards applied".

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders upon resolutions on 27 July 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year,

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is presented on page 6 of the consolidated financial statements. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as of 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Financial statements prepared in valid xHTML format;
- The XBRL markup of the Consolidated Financial Statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as of 31 December 2023, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Other Matter

This audit report cancels and replaces the audit report issued on 4 June 2024 on the same consolidated financial statements as of 31 December 2023, in which erroneous reference was made to the audit of the consolidated financial statements as of 31 December 2022 in the Key Audit Matters paragraph.

Luxembourg, 5 June 2024

For Forvis Mazars, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG

DocuSigned by:

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Fabien Delante
Réviseur d'entreprises agréé

SMG Technology Acceleration SE

Consolidated statement of comprehensive income for the period from 7 August 2023 to 31 December 2023

	Note	Period from 7 August to 31 December 2023 EUR
Revenue		-
Other operating expenses	5	(2,538,832)
Operating loss		(2,538,832)
Fair value loss on class B warrants	13.1	(3,272,000)
Fair value loss on class A warrants	13.2	(1,373,900)
Finance income	7	101,816
Finance costs	6	(384,137)
Other income		1,251
Loss before income tax		(7,465,802)
Income tax	8	-
Loss for the period		(7,465,802)
Other comprehensive income		-
Total comprehensive loss for the period, net of tax		(7,465,802)
Loss per share attributable to equity holders of the parent:	9	
Net earnings per share		(0.34)
Diluted earnings per share		(0.34)

The accompanying notes form an integral part of these consolidated financial statements.

SMG Technology Acceleration SE

Consolidated statement of financial position as at 31 December 2023

	Note	31 December 2023 EUR
ASSETS		
Current assets		
Cash in escrow	10	22,060,816
Receivable from related parties	17	2,919,998
Other receivables		4,212
Cash and cash equivalents	11	27,916
Total current assets		25,012,942
Total assets		25,012,942
EQUITY AND LIABILITIES		
Equity		
Share capital	12	120,000
Share premium		750,000
Accumulated deficit		(7,465,802)
Total equity		(6,595,802)
Current liabilities		
Class B warrants at fair value	13.1	6,272,000
Class A warrants at fair value	13.2	1,384,900
Redeemable class A shares	14	20,623,769
Trade and other payables	15	3,283,576
Payable to related party	17	44,499
Total current liabilities		31,608,744
Total liabilities		31,608,744
Total equity and liabilities		25,012,942

The accompanying notes form an integral part of these consolidated financial statements.

SMG Technology Acceleration SE

Consolidated statement of changes in equity for the period from 7 August 2023 to 31 December 2023

	Note	Subscribed capital EUR	Share premium EUR	Accumulated deficit EUR	Total equity EUR
Issuance of 21,900,000 class B shares	12	120,000	-	-	120,000
Capital contribution without issuance of shares		-	750,000	-	750,000
Issuance of 22,000,000 class A shares	14	120,560	21,868,440	-	21,989,000
Reclassification of class A shares from equity to liability (IAS 32)	14	(120,560)	(21,868,440)	-	(21,989,000)
Results for the financial period		-	-	(7,465,802)	(7,465,802)
Balance, 31 December 2023		120,000	750,000	(7,465,802)	(6,595,802)

The accompanying notes form an integral part of these consolidated financial statements.

SMG Technology Acceleration SE

Consolidated statement of cash flows for the period from 7 August 2023 to 31 December 2023

	Note	Period from 7 August to 31 December 2023 EUR
Cash flows from operating activities		
Loss before income tax		(7,465,802)
<i>Adjustments for non-cash items:</i>		
Finance cost	6	384,137
Finance income	7	(101,816)
Fair value gain on class B warrants	13.1	3,272,000
Fair value gain on class A warrants	13.2	1,373,900
<i>Changes in working capital:</i>		
Increase in receivables from related parties	17	(2,919,998)
Increase in other receivables		(4,212)
Increase in trade and other payables	15	3,283,576
Increase in payable to related party	17	44,499
Interest received	7	101,816
Net cash flows used in operating activities		<u>(2,031,900)</u>
Cash flows from financing activities		
Proceeds from issuance of class B shares	12	120,000
Proceeds from capital contribution without issuance of shares	12	750,000
Proceeds from issuance of class B warrants	13.1	3,000,000
Proceeds from issuance of class A warrants	13.2	11,000
Proceeds from issuance of class A shares, net of Private Placement costs	14	20,239,632
Net cash flows from financing activities		<u>24,120,632</u>
Net increase in cash and cash equivalents		22,088,732
Of which:		
Increase in restricted cash (Cash in Escrow)	10	(22,060,816)
Cash and cash equivalents, beginning		-
Cash and cash equivalents at end of period		<u>27,916</u>

The accompanying notes form an integral part of these consolidated financial statements.

SMG Technology Acceleration SE

Notes to the consolidated financial statements for the period ended 31 December 2023

1. GENERAL INFORMATION

SMG Technology Acceleration SE (the “Company” or “Parent” and the “Group” if taken together with its subsidiaries) was incorporated on 27 July 2023 (date of incorporation per the deed of incorporation in front of the notary) in Luxembourg as a European company (“*Société Européenne*” or “SE”) based on the laws of the Grand Duchy of Luxembourg (“Luxembourg”). The Company is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*, in abbreviated “RCS) under the number B279346 since 7 August 2023. The Company is a listed entity with its class A shares traded in the regulated market of Frankfurt Stock Exchange under the symbol “7GG” since 27 October 2023. The Class A Warrants are not admitted to trading or listed on the Frankfurt Stock Exchange. The Company also has 21,900,000 class B shares and 20,000,000 class B warrants issued and outstanding as at 31 December 2023 that are not listed on a stock exchange (See Notes 12 and 13.1).

The share capital of the Company on 7 August 2023 was set to EUR 120,000, represented by 12,000,000 class B shares without nominal value. The share capital has been fully paid up.

The founder and sponsor of the Company is SMG Technology Holding S.à r.l. (the “Sponsor”), a wholly-owned subsidiary of SMG Holding S.à r.l. (the “Ultimate shareholder”). As at 31 December 2023, the Sponsor owns 100% of the class B shares in the Company.

The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company’s governing bodies are the Management Board, the Supervisory Board and the shareholders’ meeting. The Company is managed by its Management Board under the supervision and control of the Supervisory Board. This two-tier governance structure was resolved by an extraordinary shareholders’ meeting of the Company held on 25 September 2023. The Management Board is composed of Dr. Stefan Petrikovics (Chief Executive Officer), René Geppert (Chief Operating Officer), George Aase (Chief Financial Officer) and Werner Weynand (Chief Administration Officer). The Supervisory Board members appointed consists of Ewald Weizenbauer (Chairman), Rhett Oudkerk Pool, Benoît de Belder and Dr. Geza Toth-Feher Lord of Kennal (the “Supervisory Board”).

The Company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area (the “EEA Member States”), the United Kingdom or Switzerland that is based in the technology sector, which shall encompass primarily the following verticals: additive manufacturing/3D printing, software as a service (SaaS), and digital infrastructure/blockchain-based technologies, through a merger, capital stock exchange, share purchase, asset acquisition, reorganization, or similar transaction and forming a business combination with such operating business (the “Business Combination”).

The Company will not conduct operations or generate operating revenue unless and until the Company consummates the Business Combination. The Company will have 12 months from the date of the admission to trading (the “Business Combination Deadline”) to consummate a Business Combination. Otherwise, the Company will be liquidated and distribute substantially all of its assets to its shareholders (other than the Sponsor).

Pursuant to article 2 of the current articles of association, the Company’s purpose is the creation, holding, development and realization of a portfolio, consisting of interest and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, by purchase, sale,

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or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Accordingly, the interim consolidated financial statements of SMG Technology Acceleration SE and its subsidiaries (collectively the "Group") were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union for the period from 7 August 2023 (date of registration of the Company with the RCS) to 31 December 2023 and were authorized for issue in accordance with a resolution of the Management Board on 30 April 2024. The consolidated financial statements are published in accordance with the European Single Electronic Format regulation on the Company's website (<https://www.smg-spac.com/>).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Company's financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year which started on 7 August 2023 (date of registration with the RCS) and ended on 31 December 2023.

The consolidated financial statements have been prepared on a going concern basis (See Note 3) and in accordance with International Financial Report Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union. They are also prepared in Euros (EUR) which is the Group's presentation and functional currency and have been prepared under the historical cost convention, except for financial instruments that are measured at fair value.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred as the "Group") as at 31 December 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and

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Notes to the consolidated financial statements for the period ended 31 December 2023

- The ability to use its power over the investee to affect its returns.

Generally, there is the presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3. Summary of significant accounting policies

International accounting standards include IFRS, IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee) and IFRICs (International Financial Reporting Interpretations Committee).

The repository adopted by the European Commission is available on the following internet site: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs

a) New standards, amendments and interpretations that were issued but not yet applicable in as at 31 December 2023 and that are most relevant to the Group

- **Amendments to IAS 1 - not yet endorsed by the EU:** Classification of Liabilities as Current or Non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.
- **Amendments to IAS 1 - not yet endorsed by the EU:** Non-current Liabilities with Covenants. In October 2022, the IASB issued Non-current Liabilities with Covenants, (Amendments to IAS 1), to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

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- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments - not yet endorsed by the EU:** In May 2023, the IASB published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after 1 January 2024.
- **Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two model Rules:** the amendments introduce a mandatory exception for the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The amendments are effective for reporting periods beginning on or after 1 January 2024.

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory. Currently, the Management Board anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Group.

b) New Standards Issued – effective from 1 January 2023

The Company applied for the first time certain standards, amendments and interpretations which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, amendment or interpretation that has been issued but not yet effective.

- **Amendments to IAS 1 and IFRS Practice Statement 2:** Disclosure of Accounting policies. In February 2021, the IASB issued amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.
- **Amendments to IAS 8:** Definition of Accounting Estimate. In February 2021, the IASB issued amendments to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.
- **Amendments to IAS 12:** Deferred Tax related to Assets and Liabilities arising from a Single Transaction. In May 2021, the IASB amended the standard to reduce diversity in the way that entities account for deferred tax on transactions and events, such as leases and decommissioning obligations, that lead to the initial recognition of both an asset and a liability. The amendments apply for annual reporting periods beginning on or after 1 January 2023 and may be applied early.

The Group adopted these Standards and Interpretations in the current financial year and considered to have no material impact on the financial information of the Group.

c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business

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combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

When the amount of aggregate consideration transferred is in excess of the fair value of the net assets acquired a goodwill is recognized. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

d) Foreign currencies

These consolidated financial statements are presented in EUR, which is the Parent Company and subsidiaries' functional currency and presentation currency.

Transactions denominated in currencies other than the EUR are recorded at the exchange rate at the transaction date.

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognises a financial asset or a financial

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liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset.

Financial assets: The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

Financial assets measured at amortised cost: This is the category most relevant to the Group. A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Group includes in this category cash and cash equivalents, other receivables, receivable from sponsors and other related entities, loans receivable, and cash in escrow.

Financial liabilities: The financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Group's financial liabilities include trade and other payables, payable to sponsors and other related parties, redeemable class A shares, class A warrants at fair value and class B warrants at fair value.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities measured at amortised cost: This is the category most relevant to the Group. After initial recognition, trade and other payables, payable to sponsors and other related parties and redeemable class A shares are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Financial liabilities through profit or loss: Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Derecognition: A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Impairment of financial assets: The Group has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to its financial assets. Therefore, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

f) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The carrying amounts of these approximate their fair value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

g) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i) Taxes

Income tax recognized in the consolidated statement of comprehensive income includes current and deferred taxes.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income.

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Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are tested for impairment on the basis of a tax planning derived from management business plans.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

j) Share-based payments

The Management Board is currently assessing whether certain class B shares and class B warrants issued to the Sponsor, Co-Sponsor and Supervisory Board Investors of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably adopt its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

In any case, the class B shares and class B warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Sponsor, Co-Sponsor and Supervisory Board Investors only derive the value from the class B shares and class B warrants when they are converted into class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 31 December 2023, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

k) Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in as part of other operating expenses in the consolidated statement of comprehensive income, together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the recipient of the share-based payment. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment in light of the ongoing military conflict between Ukraine and Russia, or as a result of the current turmoil in the Banking horizon due to the recent collapse of several banks.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

As at 31 December 2023, the significant areas of estimates, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements are:

- Going concern: Despite the EUR 6,595,802 negative equity of the Group as at 31 December 2023, the Management Board decided to prepare these consolidated financial statements on a going concern basis for the following reasons:
 - On one hand, the redeemable class A shares, amounting to EUR 20,623,769, that are presented as current liabilities (debt instruments) in accordance with IAS 32, are true equity of the Company from a legal standpoint (see Note 14);
 - On the other hand, the class B warrants amounting to EUR 6,272,000 (See Note 13.1), which are currently presented as current liabilities, will not be required to be paid in cash. These class B warrants have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation.
 - Furthermore, the class A warrants amounting to EUR 1,384,900 (See Note 13.2) are redeemable at the option of the Company, hence, this does not pose any liquidity issues to the Group. Further, these class A warrants have no liquidation distribution rights and will expire worthless in case of liquidation.

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Notes to the consolidated financial statements for the period ended 31 December 2023

In addition, the Management Board underlying assumption to prepare the consolidated financial statements is based on the anticipated successful completion of the Business Combination. On 28 May 2024, the Company also received repayment of intercompany receivables in total amount of EUR 2,900,000 which provides sufficient liquidity to the Group to continue its operations.

- **Deferred tax asset:** A deferred tax asset in respect of the tax losses incurred has not been recognised as the Management Board estimates uncertainty in terms of future taxable profit against which the Group can utilise the benefits therefrom (See Note 8).
- **Classification of Redeemable class A shares:** The Management Board assessed the classification of redeemable class A shares in accordance with IAS 32 under which the redeemable class A shares do not meet the criteria for equity treatment and must be recorded as liabilities (See Note 14). The class A shares feature certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, the Company classifies the Redeemable class A shares as financial liabilities at amortised cost in accordance with IFRS 9. The transaction costs directly attributable to issuance of the redeemable class A shares which are subscribed via private placement ("Private Placement") are deducted against the initial fair value.
- **Classification and measurement of warrants:** The Management Board assessed the classification of warrants in accordance with IAS 32 under which the warrants do not meet the criteria for equity treatment and must be recorded as derivatives. Accordingly, the Company classifies the class A warrants and class B warrants as liabilities at their fair value and adjusts them to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the consolidated statement of comprehensive income. The fair value of class A warrants is determined using a combination of Monte Carlo and Binomial Tree valuation model for periods when there are no observable trades, as of each relevant date. Likewise, the class B warrants which are not listed to the stock exchange are also independently valued using a combination of Monte Carlo and Binomial Tree valuation model to determine its fair value.
- **Class B shares and warrants as share-based payments:** The Management Board is currently assessing whether certain class B shares and warrants issued to the Sponsor of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably adopt its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

In any case, the class B shares and class B warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Sponsor only derives the value from the class B shares and class B warrants when they are converted into class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 31 December 2023, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

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4. GROUP INFORMATION

Subsidiaries

These consolidated accounts include all the activities of the Group as at 31 December 2023.

Entities included in the scope of consolidation are listed below:

Consolidated Entities	Principal Activities	Country of incorporation	% of equity interest As at 31 December 2023
SMG Technology Acceleration SE	Special purpose acquisition company	Luxembourg	Parent company
SMG Technology Advisors GmbH & Co. KG, hereby referred to as "SMG Advisors KG"	Support services to SMG Technology Acceleration SE	Germany	100%
SMG Technology Advisors Verwaltungs-GmbH, hereby referred to as "SMG Advisors GmbH"	General partner of SMG Advisors KG	Germany	100%

Segment information

The Group is currently organised as one reportable segment. The Group has been deemed to form one reportable segment as the Parent and its subsidiaries have been established together for the purpose of acquiring one operating business i.e. the Business Combination (Note 1).

5. OTHER OPERATING EXPENSES

The other operating expenses mainly consist of fees for accounting, legal and other services not related to the Private Placement.

	From 7 August 2023 to 31 December 2023 EUR
Other professional fees	691,184
Impairment of receivable from related parties	657,525
Audit fees	404,264
Directors fees	385,473
Legal fees	234,390
Accounting and corporate fees	146,487
Travel expenses	12,679
Bank charges	791
Other expenses	6,039
Total	2,538,832

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The total audit fees paid breaks down as follows:

	From 7 August 2023 to 31 December 2023 EUR
Statutory audit of the annual accounts	128,320
Audit-related fees (*)	431,094
Total	559,414

(*) of which EUR 155,150 incurred in relation to the IPO and capitalized as part of redeemable class A shares.

The Company did not have any employees during the period ended 31 December 2023.

6. FINANCE COSTS

For the period ended 31 December 2023, finance costs in the amount of EUR 384,137 pertain to the amortization of class A shares (see Note 14).

7. FINANCE INCOME

For the period ended 31 December 2023, finance income in the amount of EUR 101,816 pertains to interest income earned on cash in escrow.

8. INCOME TAXES

The reconciliation between actual and theoretical tax expense is as follows:

	From 7 August 2023 to 31 December 2023
Loss for the period before tax	(7,465,802)
Theoretical tax charges, applying the tax rate of 22.80%	1,702,203
Tax effect of adjustments from local GAAP to IFRS ¹	(742,458)
Non-deductible items	(87,888)
Tax effect of difference in tax rates	26,455
Unrecognized deferred tax assets	(898,312)
Income tax	-

¹ Income taxes payable to / recoverable from the tax authorities are determined based on the financial results of SMG Technology Acceleration SE and its subsidiaries as shown in their stand-alone financial statements prepared in local GAAP. Hence adjustments from local GAAP to IFRS may lead to higher / lower taxable result in the consolidated financial statements as compared to that determined based on the stand-alone financial statements.

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The tax rate used in the reconciliation above is the Luxembourgish tax rate (22.80%) as the Company is domiciled in Luxembourg. Deferred tax assets have not been recognised in respect of the loss incurred for the period ended 31 December 2023, because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Unused tax losses of the Company can be used within a period of 17 years as per Luxembourg tax law.

9. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share ("EPS") is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	From 7 August 2023 to 31 December 2023
Loss for the period	EUR (7,465,802)
Weighted average number of ordinary shares for EPS	21,900,000
Basic and Diluted EPS	EUR (0.34)

	From 7 August 2023 to 31 December 2023
Weighted average number of potential ordinary shares which are antidilutive:	
Redeemable class A shares	9,750,000
Warrants (class A and B)	13,801,370
Total	23,551,370

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these consolidated financial statements.

10. CASH IN ESCROW

Cash in escrow of EUR 22,060,816 consists of the gross proceeds from the Private Placement (See Notes 13.2 and 14). The cash held in escrow from the gross proceeds on the Private Placement is set aside to pay the following, in case of Business Combination: i) payment of class A shares for which the redemption right was exercised, net of any interest, fees and taxes, ii) fixed deferred listing commission (See Note 18), and iii) any remaining amount will be returned to the Company.

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If the Company does not consummate a Business Combination, the amounts standing on the escrow will be returned to the Company, and eventually to the holders of class A shares for the portion of the proceeds on the Private Placement, net of any interest, fees and taxes.

The fair value of cash in escrow approximates its carrying value as at 31 December 2023 (level 3).

As at 31 December 2023, the positive interest on the cash in escrow amounts to EUR 101,816 presented as finance income in the consolidated statement of comprehensive income.

11. CASH AND CASH EQUIVALENTS

The amount of cash and cash equivalents was EUR 27,916 as at 31 December 2023.

The fair value of cash and cash equivalents (level 3) approximate its carrying value as at 31 December 2023.

12. ISSUED CAPITAL AND RESERVES

Share capital – class B shares

As at 31 December 2023, the subscribed share capital amounts to EUR 120,000 consisting of 21,900,000 class B shares without nominal value.

Upon and following the completion of the Business Combination, the class B shares existing at that point in time shall convert into class A shares in accordance with the conversion schedule (the "Promote Schedule" in the "Glossary" of the Prospectus).

The class B shares will only have nominal economic rights (i.e., reimbursement of their par value, at best, in case of liquidation). The class B shares were not part of the Private Placement and are not listed on a stock exchange.

Share capital – class A shares

On 26 October 2023, the Company issued 22,000,000 redeemable class A shares with a par value of approximately EUR 0.00548 per share, together with class A warrants (together, a "Unit") for an aggregate price of EUR 1 per Unit, the nominal subscription price per class A warrant being EUR 0.001. The total proceeds allocated to class A shares, with the share premium amounts to EUR 20,239,632 after Private Placement costs of EUR 1,749,368. Because the class A shares are redeemable under certain conditions, the Management Board concluded that the class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the class A shares are considered as debt instruments (See Notes 3 and 14).

Other available reserve

On 25 October 2023, it was resolved to raise additional funding to the Company in the form of an equity contribution in cash without the issuance of new shares (account 115 of the Luxembourg standard chart of accounts) for a total amount of EUR 750,000 in order to cover for operating expenses.

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Authorised capital

As at 31 December 2023, the authorized capital, excluding the issued share capital, of the Company is set at EUR 10,839,440 consisting of 1,978,000,000 shares without nominal value.

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

13. WARRANTS

13.1 Class B warrants at fair value

The Sponsor has subscribed for an aggregate of 20,000,000 Sponsor Warrants for a purchase price of EUR 0.15 per warrant or EUR 3,000,000 in total for the sponsor capital at-risk (the "Sponsor Capital At-Risk").

The Sponsor and the Company agreed to set off the amount due under a loan agreement in the amount of EUR 216,646.63, at the time of the incorporation of the Company in order to finance the Company's working capital requirements until the Private Placement, as amended (the "Shareholder Loan") against part of the aggregate subscription price payable by the Sponsor for these Sponsor Warrants. The Shareholder Loan was repaid during the period ended 31 December 2023.

The Sponsor Capital At-Risk will, next to the additional purchase price for the Sponsor Shares, be used to finance the Company's ongoing working capital requirements (including due diligence costs in connection with the Business Combination), Private Placement and Listing expenses, except for the Deferred Listing Commissions, that will, if and when due and payable, be paid from the Escrow Account.

The Sponsor Warrants will not be transferable, assignable or saleable (except to Permitted Transferees) until the consummation of the Business Combination. From the consummation of the Business Combination, Public Shares held by the Sponsor due to the exercise of Sponsor Warrants and due to the conversion of Sponsor Shares into Public Shares will be subject to the Sponsor Lock-Up.

On the issue date, the fair value of class B warrants was determined to be EUR 0.2069 per warrant using a combination of Monte Carlo and Binomial Tree valuation model (level 3). Class B warrants issued as Sponsor Capital At-Risk are valued at EUR 4,138,000.

The above valuation resulted in the recognition of a day-one gain of EUR 1,138,000.

As at 31 December 2023, the fair value of class B warrants was determined to be EUR 0.3136 per warrant using a combination of Monte Carlo and Binomial Tree valuation model (level 3). Class B warrants issued as Sponsor Capital At-Risk are valued at EUR 6,272,000.

The above valuation resulted in the recognition of fair value gain of EUR 3,272,000 for the period from the issue date to the closing date, and a net fair value gain of EUR 2,134,000 for the period from 27 October 2023 to 31 December 2023. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government

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bonds, volatility of the Company's potential target peers and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

The Sponsor Warrants have substantially the same terms as the class A warrants, except that they cannot be redeemed and they may always be exercised on a cashless basis while they are held by the Sponsor or its Permitted Transferees. The Sponsor Warrants were not part of the Private Placement and neither the Sponsor Warrants nor the class A warrants will be listed on a stock exchange.

13.2 Class A warrants at fair value

On 27 October 2023, the Private Placement resulted in issuance of 22,000,000 Public Shares and 11,000,000 class A warrants (together, a "Unit").

Each Unit has a Unit Price of EUR 1.00 and consists of one Public Share with a subscription right for one half of a Class A Warrant. Each whole Class A Warrant entitles the holder thereof to purchase one Public Share at a price of EUR 1.15 per Public Share.

The Public Shares and Class A Warrants comprising the Units will be separated upon issuance and only the Public Shares will trade.

Fractional Class A Warrants will not be issued upon separation of the Units and may be neither exercised nor redeemed for cash. The Class A Warrants will not be admitted to trading or listed on the Frankfurt Stock Exchange.

On the issue date, the fair value of class A warrants was estimated at EUR 953,700 (EUR 0.0867 per warrant) using a combination of Monte Carlo and Binomial Tree valuation model (level 3), resulting in the recognition of a day-one gain of EUR 942,700.

As at 31 December 2023, the fair value of class A warrants was estimated to be EUR 1,384,900 (EUR 0.1259 per warrant) using a combination of Monte Carlo and Binomial Tree valuation model (level 3), resulting in the recognition of fair value gain of EUR 1,373,900 for the period from issue date to closing date and a net fair value gain of EUR 431,200 for the period from 27 October 2023 to 31 December 2023. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds, volatility of the Company's potential target peers and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

Class A Warrant and each whole Class A Warrant entitles the holder to subscribe for one Public Share. The Class A Warrants will become exercisable 30 days after the consummation of the Business Combination. The Class A Warrants expire five years from the consummation of the Business Combination, or earlier upon redemption or liquidation.

14. REDEEMABLE CLASS A SHARES

On 27 October 2023, the Company issued 22,000,000 redeemable class A shares with a par value of EUR 0.00548, International Securities Identification Number ("ISIN") LU2699152265, (each a "Public Share" or a "Class A Share") and 11,000,000 class A warrants through a private placement. The Public Shares and Class A Warrants were issued in the Private Placement in the form of units, each consisting of one Public Share with a par value of EUR 0.00548 and one-half of a Class A Warrant (the "Unit"), at a price of EUR 1.00 per Unit. Holders of class A shares are entitled to one

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vote for each share. On the issue date, the redeemable class A shares are measured at amortised cost valued at EUR 20,239,632, net of transaction costs amounting to EUR 1,749,368.

Transaction costs, which are incremental costs that are directly attributable to the issuance of the class A shares and its subsequent listing to the Frankfurt Stock Exchange, were deducted from its initial fair value. The transaction costs include Listing Fee (See Note 18), legal fees, audit fees, accounting and administration fees, and CSSF fees.

As at 31 December 2023, the amortized cost of the redeemable class A shares amounts to EUR 20,623,769 after amortisation of EUR 384,137 calculated using the EIR method. This amortization is presented as part of finance cost in the consolidated statement of comprehensive income. As at 31 December 2023, the fair value of Redeemable class A shares is estimated at EUR 23,980,000 which is the nominal value of the redemption price of the shares (level 3).

The Company will have 12 months from the date on which trading in the Public Shares formally commences on the Frankfurt Stock Exchange to consummate a Business Combination. If the Company fails to consummate a Business Combination within the Business Combination Deadline or the Management Board formally acknowledges that the Company will not be able to proceed with a Business Combination within that period, the Company will be liquidated and distribute substantially all of its assets to its shareholders (other than the Sponsor).

Class A Shareholders may request redemption of all or a portion of their class A shares in connection with the Business Combination, subject to the conditions and procedures set forth in the Articles of Association. Class A shares will only be redeemed under the following conditions, (i) the Business Combination is approved by the general meeting of shareholders and subsequently consummated, (ii) a holder of class A shares notifies the Company of its request to redeem a portion or all of its Class A shares in writing by completing a form approved by the Management Board for this purpose that will be included with the convening notice for the general meeting of shareholders and such notification is received by the Company not earlier than the publication of the notice convening the general meeting of shareholders for the approval of the Business Combination and (iii) the holder of Class A shares transfers its class A shares to a trust depository account specified by the Company and/or blocked on the account of the redeeming shareholder, (ii) and (iii) both not later than two business days prior to the date of the general meeting of shareholders convened for the purpose of approving the Business Combination.

Each class A share that is redeemed shall be redeemed in cash for a price equal to the aggregate amount on deposit in the escrow account related to the proceeds from the Private Placement of the class A shares and warrants, divided by the number of the then outstanding class A Shares, subject to (i) the availability of sufficient amounts on the escrow account and (ii) sufficient distributable profits and reserves of the Company.

Because the class A shares are redeemable under certain conditions, the Management Board concluded that the class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the class A shares are considered as debt instruments (See Note 3).

15. TRADE AND OTHER PAYABLES

Trade and other payables amount to EUR 3,283,576 as at 31 December 2023.

Trade and other payables are related to legal and other services received by the Group. The carrying amounts of these approximate their fair value (level 3) as at 31 December 2023.

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Out of the total trade and other payables, the Company has EUR 1,079,170 of unpaid overdue payables as at 31 December 2023, which break down as follows:

- Overdue since more than 3 months (and less than 6 months) amounts to EUR 142,560;
- Overdue since more than 1 month (and less than 3 months) amounts to EUR 936,610.

As of the date of approval of the financial statements these balances remain unpaid. The EUR 2.900.000 repayments received from affiliated undertakings post balance sheet date (see Note 19) will however allow the Company to settle these outstanding balances.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group conducted no operations and currently generated no revenue. The Group has no foreign currency transactions and no interest bearing loans. Hence, currently the Group is not exposed to foreign currency risks nor any interest rate risks.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Company has completed its Private Placement and listing on the Frankfurt Stock exchange. The proceeds from the Private Placement are deposited in an escrow account. The amount held in the escrow account will only be released in connection with the completion of the Business Combination or the Company's liquidation. As at 31 December 2023, the Management Board believes that the funds available to the Group outside of the secured deposit account are sufficient to pay costs and expenses incurred by the Group prior to the completion of the Business Combination. Furthermore, the Group has financial instruments which are presented as current liabilities which does not impose any liquidity issues to the Group. The class B warrants related to Sponsor Capital At-Risk and amounting to EUR 6,272,000 (See Note 13.1) have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation. Furthermore, the class A warrants amounting to EUR 1,384,900 are redeemable at the option of the Company (See Note 13.2) hence, does not pose any liquidity issues to the Group. Further, these class A warrants have no liquidation distribution rights and will expire worthless in case of liquidation.

The table below summarizes the maturity profile of the Group's liabilities based on contractual undiscounted payments (excluding warrants as discussed above):

	Less than 3 months EUR	3 to 12 months EUR	Total 31 December 2023 EUR
Redeemable class A shares	-	22,000,000	22,000,000
Trade and other payables	3,283,576	-	3,283,576
Payable to related party	44,499	-	44,499
	3,328,075	22,000,000	25,328,075

As at 31 December 2023, the Group has sufficient cash in escrow to cover for the redemption value of the class A shares and it also has receivables from related parties sufficient to cover for the other

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liabilities. On 28 May 2024, the Company received repayment of receivables from the related parties in total amount of EUR 2,900,000 adding additional liquidity.

Capital management

The Management Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to meet the capital management objective described above, the Group has raised funds through a Private Placement reserved to certain qualified investors inside and outside of Germany, and had the class A shares issued in the context of this Private Placement admitted to listing and trading on the Frankfurt Stock Exchange. The above-mentioned financial instruments issued as part of this Private Placement represent what the entity is managing as capital, although these instruments are considered as debt instruments from an accounting standpoint.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions as well as its receivables from related parties. No specific counterparty risk is being assessed as cash and cash equivalents are mostly deposited with a P-1 (Moody's) or A-2 (S&P's) rated bank.

17. RELATED PARTIES DISCLOSURES

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions.

Terms and conditions of transactions with related parties

As at 31 December 2023, receivables from related parties amounting to EUR 2,919,998 comprise of short-term, interest-free advances to related parties in the amount of EUR 2,899,999 (please also refer to note 19), and advance payment made to directors in the amount of EUR 20,000.

As at 31 December 2023, the payable to related parties amounting to EUR 44,499 relate to payments, short-term advances and overpayments made by related entities on behalf of the Company.

There have been no guarantees provided or received for any related party receivables or payables as at 31 December 2023.

Commitments with related parties

There are no commitments with related parties as at 31 December 2023, except those already disclosed in these consolidated financial statements.

Transactions with key management personnel

The Company has a receivable from a director amounting to EUR 20,000 pertaining to an advance payment made to directors. The amount is included in the receivables from related parties.

Aside from the above, there are no advances or loans granted to members of the Management Board as at 31 December 2023.

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The Management Board and Supervisory Board members received remuneration during the period ended on 31 December 2023 as disclosed in Note 5 under "Directors fees".

18. COMMITMENTS AND CONTINGENCIES

In accordance with the Prospectus, the Company will be liable to pay the below amounts which are contingent to certain events as follows:

- A success fee of 2.5% of the gross proceeds from the Private Placement (which excludes Sponsor generated amounts) on the date of the consummation of the Business Combination;
- A business combination completion fee of 0.5% of the gross proceeds from the Private Placement less any cancellations of subscriptions, split between the joint bookrunners.

The success fee and business combination completion fee will be paid from the escrow account.

The Group has no other commitments and contingencies as at 31 December 2023.

19. EVENTS AFTER THE REPORTING YEAR

Due to the delay in completion of the intended business combination signed on 20 December 2023, the Company experienced a liquidity shortage, among others from significant costs already incurred in connection with the Business Combination and its IPO. Consequently on 27 May 2024, the Sponsor sold 13.362.000 Class B shares of the Company to a third party, i.e. De Krassny GmbH, for an amount of EUR 2.900.000. The cash proceed was advanced by the Sponsor to certain affiliated undertakings which in turn repaid their amounts owed to the Company.

On 28 May 2024, the Company received repayment of amounts owed by the following related parties:

- EUR 1.092.474,89 from SMG Holding S.à r.l.;
- EUR 1.034.000,00 from SMG Hospitality SE; and
- EUR 773.525,11 from SMG SPAC Investment S.à r.l..

BigRep, the target company, was made aware of the Company's liquidity situation and as a result of this the terms of the business combination agreement were amended accordingly in an agreement on 27 May 2024 and amendment to the business combination agreement that was signed on 28 May 2024.

There are no other events or conditions after the reporting year requiring disclosure in or adjustment to the consolidated financial statements.